

CHUSKA ENERGY COMPANY

3315 BLOOMFIELD HIGHWAY • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 326-5525

P.O. BOX 780 • FARMINGTON, NEW MEXICO 87499

30 November, 1990

State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Building, Suite 350 Salt Lake City, Utah 84180-1203



Ref:

Application for Permit to Drill
Taipan 5F-1 Well, San Juan County, Utah

Gentlemen

Attached for your examination and approval is the original and two copies of an Application for Permit to Drill the Taipan 5F Well No. 1 in San Juan County, Utah. This well will be drilled as part of an ongoing exploration and development program.

The location for this well falls outside the guidelines for the State of Utah spacing requirements. However, the severe topography of the area surrounding the desired location is such as to preclude the well being located in accordance with State requirements and yet remain in a position which will allow the well bore to penetrate geological structures which have been identified by seismic interpretation. We therefore apply for an exception to the General State Spacing requirements on topographic grounds. Chuska Energy controls the acreage surrounding the proposed site, as indicated on the attached land plat.

Please advise if you require additional information concerning this application. Chuska Energy will greatly appreciate your prompt consideration.

Sincerely,

Larry G. Sessions Operations Manager

LGS/cswh

File: C:\WP51\TAIPAN.5F\APDCOVER

encl.

Form 3160-3 (November 1983) (formerly 9-3310)

SUBMIT IN TR (Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNIT	ED	STAT	ES
DEPARTMENT	OF	THE	INTERIOR

BUREAU OF LAND MANAGEMENT					5. LEASE DESIGNATION AND SERIAL NO.				
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DR I	LL 🖾	DEEPEN		PLU	G BAC	:к 📙	7. UNIT AGREEMENT NAME		
	GAS TELL OTHER			SINGLE	HULTI	PLE [
2. NAME OF OPERATOR	PELL OTHER			ZONE	ZONE		8. FARM OR LEASE NAME		
Chuska Energ	v Company						Taipan 5F		
3. ADDRESS OF OPERATOR	y company				<u> </u>	<u> </u>	9. WELL NO.		
							1		
4. 100ATION OF WELL / Page	, Farmington, N	ew Mexico	87499	<u>D</u> :	TO 00		10. FIELD AND POOL, OR	WILDGAT	
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9 1/2 miles :	South of Aneth,	Utah					San Juan	Utah	
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18. DISTANCE FROM PROPOSE TO MEAREST WELL, DRILL	D LOCATIONS		19. PR	OPOSED DEPTH	-	20. ROTARY OR CABLE TOOLS			
OR APPLIED FOR, ON TH	IS LEASE, FT.	15,620'	6	,090' GR (1Kah	Rot	Rotary		
21. ELEVATIONS (Show what	her DF, RT, GR, etc.)		<u> </u>				22. APPROX. DATE WORK N	ILL STARTS	
5,015' GR							5-1-91		
23.		PROPOSED CAS	ING AND	CEMENTING I	PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F		SETTING DE			QUANTITY OF CENERT		
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7 7/8"	5 1/2"	15.5 lb		6,090'			'G', 65:35 Poz + 6% G	_ 1	
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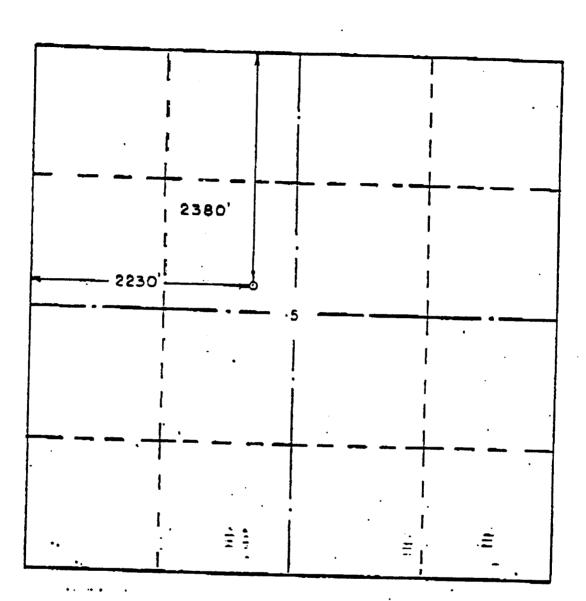
Refer to attached 10-Point Drilling Plan etc.

H ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to done. If proposal is to design directionally, give persenter program, it agy.	deepen or plug back, give data on present productive zone and proposed new productive ertinent data on subsurface locations and measured and true vertical depths. Give blowout
SIGNED Christopher ST Hill	THILE Petroleum Engineer DATE 30 November, 1990
APT 43-037.31594	APPROVED BY THE STATE OF UTAH DIVISION OF
APPROYED BY CONDITIONS OF APPROYAL, IF ANY:	OIL, GAS, AND MINING DATE: 12-413-90
	BY: JAY MILLEUM

*(See Instructions On Reverse Side L SPACING: 415-3-3

Title 18 U.S.C. Section 1991, makes it a crime for any person knowingly and willfully to make to any depirtually of agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELL LOCATION AND ACREAGE DEDICATION PLAT



WELL LOCATION DESCRIPTION:

CHUSKA ENERGY COMPANY, Taipan 5 - F - 1
2380'FNL £ 2230'FWL
Section 5, T.43 S., R.25 E., SLM

San Juan, UT.

5015' ground elevation
State plane coordinates from sesmic control:

x = 2,671,547 y = 158,697

The above plat is true and correct to my knowly

15 November 1990

Gerald G WEDGE OF LS

213 East Montezuma Avenue • Cortez, Colorado 81321 • 303-565-3330

CHUSKA ENERGY COMPANY

10 POINT DRILLING PLAN

Taipan 5F Well No. 1 Section 5, Township 43S, Range 25E 2380' FNL, 2230' FWL San Juan County, Utah

1. SURFACE FORMATION

Geological name of surface formation: Morrison

2. ELEVATION

Surface elevation is 5,015' GR.

3. ESTIMATED FORMATION TOPS

Depth	Formation	<u>Sub Sea</u> <u>Elevation</u>
Surface 1,063' 1,858' 2,898' 3,175' 3,813' 4,813' 5,703' 5,803' 5,910' 6,033' 6,090'	Morrison Navajo Chinle DeChelly Organ Rock Cedar Mesa Hermosa Upper Ismay Lower Ismay Desert Creek Akah Total Depth	+ 5,015' + 3,952' + 3,157' + 2,117' + 1,840' + 1,202' + 202' - 688' - 788' - 895' Primary Objective - 1,018' - 1,075'

4. PROPOSED CASING/CEMENTING PROGRAM

	<u>Depth</u>	<u>Size</u>	Weight	Grade	Coupling	
Surface		8 5/8"	24 lb	K-55	STC	
Production:		5 1/2"	15.5 lb	K-55	STC	

Surface Cementing:

371 sx (427 $\rm ft^3$) Class 'G' cement with 2% CaCl $_2$ and 1/4 lb/sk Celloflake. Weight = 15.8 ppg, yield = 1.15 $\rm ft^3/sk$. Slurry volume calculated at 100% excess over annular volume.

Production Cementing:

First Stage

T.D. to 3,500' (stage collar @ \pm 3,500'). Lead with 207 sx Class 'G' cement, 65:35 Pozmix, with 6% gel and 1/4 lb/sk Celloflake. Weight = 12.7 ppg, yield = 1.85 ft³/sk. Tail with 178 sx Class 'G' cement with 2% CaCl₂. Weight = 15.8 ppg, yield = 1.15 ft³/sk. Total of 589 ft³. Bring Class 'G' slurry to 500' above top of Upper Ismay. Cement volumes calculated at 30% excess in open hole. WOC 4 hours between stages.

Second Stage

3,500' to surface. <u>Lead</u> with 355 sx Class 'G' cement, 65:35 Pozmix with 6% gel and 1/4 lb/sk Celloflake. Weight = 12.7 ppg, yield = 1.85 ft/sk. <u>Tail</u> with 100 sx Class 'G' cement with 2% CaCl₂. Weight = 15.8 ppg, yield = 1.15 ft³/sk. Total of 772 ft³. Cement volumes calculated at 30% excess in open hole.

Note:

Exact slurry volumes for the production string will be adjusted according to the caliper log which will be run prior to cementing. Special adjustments may be necessary if significant amounts of salt are drilled.

5. <u>BLOWOUT PREVENTER</u> (See attached schematics)

As abnormal pressure is not anticipated, a 2,000 psi BOP system would be sufficient for the drilling of this well. However, due to availability constraints, a 3,000 psi system will be used, as per the attached Exhibits "A" and "B". This will be a 10" x 900 Series double ram preventer, equipped with a set of pipe and blind rams.

An accumulator system, with a pressure capacity sufficient to operate the rams three complete cycles without rig power, will be required as part of the rig equipment.

6. PROPOSED MUD PROGRAM

Surface to 3,500'

Fresh water, gel, lime and native solids. Weight 8.3 - 8.7 ppg. Gel/lime sweeps as necessary for hole cleaning.

3,500' to T.D.

Low solids, non-dispersed polymer system. Weight 8.6 - 9.5 ppg. Gel/lime sweeps as hole conditions dictate for hole cleaning. Fluid loss to be maintained at 15 - 20 cc. Fluid loss to be further reduced to 15 cc or less prior to coring, logging or DSTs.

7. AUXILIARY EQUIPMENT

- A. A kelly cock will be installed during drilling operations, with handle available on the rig floor.
- B. Floor (stabbing) valves will be available, on the rig floor at all times, with necessary subs to fit all of the drilling assemblies.
- C. Mud will be the circulating fluid. No abnormal formation pressures are expected.

8. WELL EVALUATION

Open hole electric logging program will consist of a minimum program of DLL-MSFL-SP-GR-Cal, FDC-CNL-GR-Lithodensity from T.D. to 4,500'.

Coring and/or drill stem testing will be as per the wellsite geologist's recommendations, based on shows. A mud logging unit will be utilized during drilling operations from at least 500' above the Upper Ismay.

9. ABNORMAL PRESSURES/GAS

Abnormal pressures are not anticipated. Monitoring of gas and hydrocarbon shows will be by wellsite mud logging unit. $\rm H_2S$ gas is not anticipated, however regular checks will be made while drilling the well.

10. TIMING

The drilling and evaluation of this well is estimated to be 16 days. Anticipated spud date is 5-1-91.

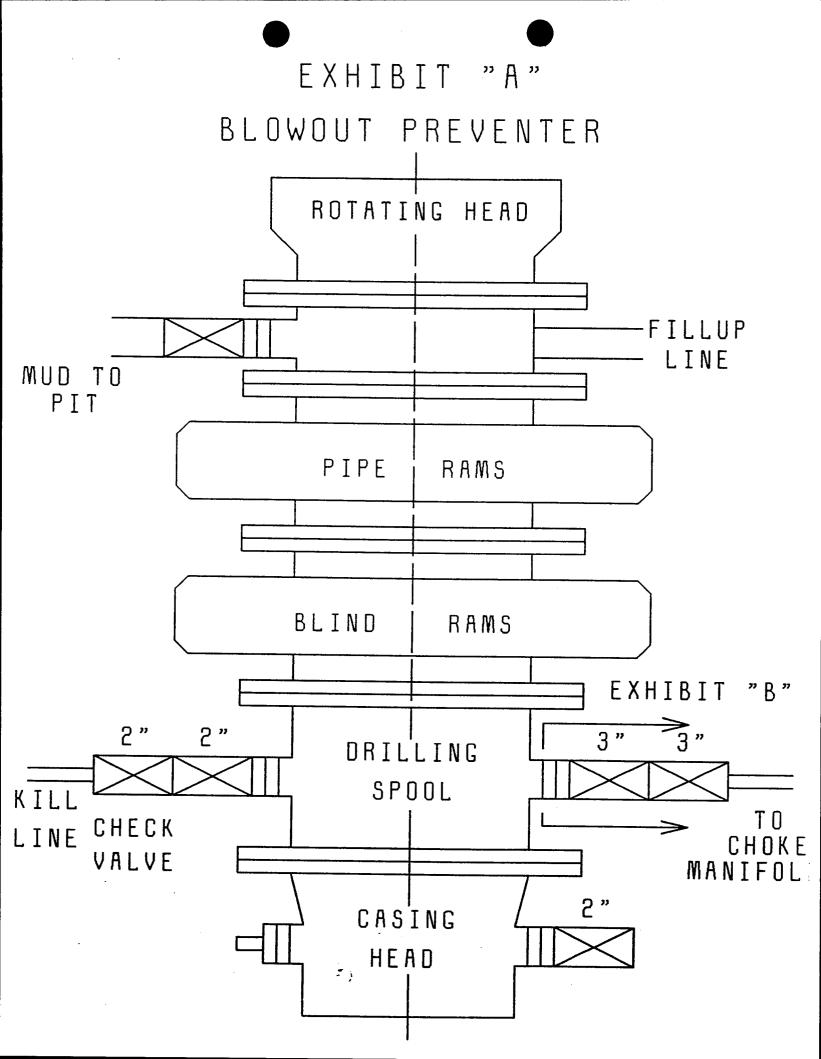
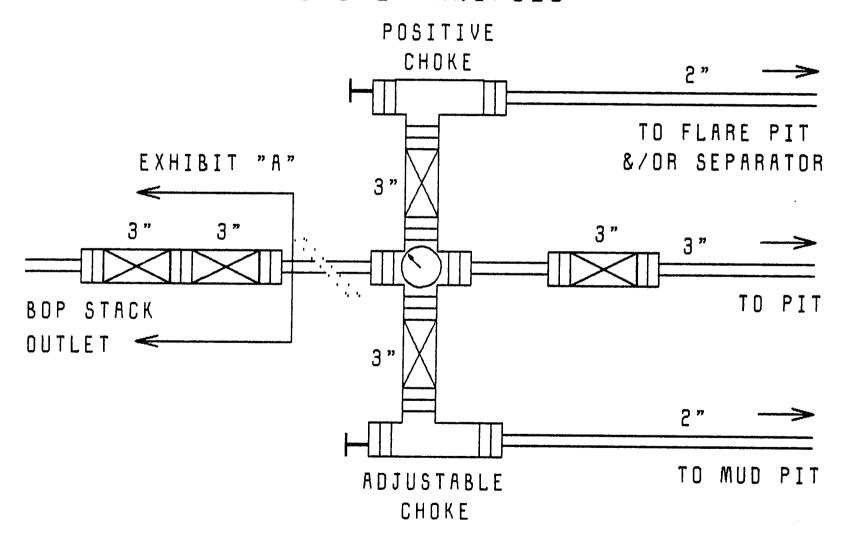


EXHIBIT "B" CHOKE MANIFOLD



DETAILED DRILLING PROGRAM

DATE:

30 November, 1990

WELL NAME:

Taipan 5F

WELL NO.: 1

LOCATION:

Section 5, Township 43S, Range 25E 2380' FNL, 2230' FWL

San Juan County, Utah

ELEVATION:

5,015' GR

TOTAL DEPTH:

6,090' GR

PROJECTED HORIZON: Primary target is Desert Creek at 5,910'.

DRILLING, CASING AND CEMENTING PROGRAM

- Move in and rig up spud rig. Notify BLM of time of spud and 1. intent to run surface casing.
- Drill 12 1/4" hole to \pm 500'. Use fresh water gel/lime spud 2. mud for drilling surface hole. Well bore inclination is not to exceed 1° at 500'. Deviation surveys will be run at least at 250' and at casing point.
- Run 8 5/8", 24 1b/ft, K-55, STC casing to T.D. Cement with 371 3. sx (427 ft²) of Class 'G' cement with 2% CaCl₂ and 1/4 lb/sk Celloflake (sufficient slurry volume to circulate cement to surface). Release spud rig and W/O drilling rig.
- Move in and rig up rotary rig. Nipple up BOP stack and related 4. equipment. See BOP schematics for details.
- Pressure test BOP to 2,000 psig for 30 minutes. Pressure test 5. manifold and all related equipment to 2,000 psig. Pressure test casing to 1,500 psig for 30 min.
- Drill out surface casing with 7 7/8" bit. Drill 7 7/8" hole to 6. T.D. Deviation surveys are to be taken every 500' or on a bit trip, whichever occurs first. Maximum allowable deviation will be 5° at T.D., with the maximum allowable rate of change to be 1°/100'.
- Run open hole logs and evaluate. Coring and/or drill stem 7. testing will be as per wellsite geologist's recommendation.
- If the well is determined to be productive, run 5 1/2", 15.5 8. 1b/ft, K-55, STC casing to T.D. Set stage cementing collar at + 3,500'. In addition to placing centralizers over potential production zones, they will also be run to cover the aquifer sands of the Navajo and DeChelly formations, as per BLM stipulations. Cement production casing in two stages as per cementing program in 10-point Drilling Plan.

- 9. Nipple down BOPE. Set 5 1/2" casing slips and cut off casing. Install well head. Release drilling rig and move rig off location.
- 10. If well is non-productive it will be plugged and abandoned as per State, BLM and Navajo Tribal stipulations.

Taipan 5F Well No. 1
Section 5, Township 43S, Range 25E
2380' FNL, 2230' FWL
San Juan County, Utah

GENERAL COMPLETION PROCEDURE

If the well is determined to be productive, move in completion rig. Perforate, acidize, and test each productive porosity zone. Completion work will commence after Sundry Notice approval is received. Detailed procedures will follow.

PLUGGING AND ABANDONMENT

If the well is determined not to be productive, the well bore will be plugged as per BLM, State and Navajo Tribal requirements.

Taipan 5F Well No. 1
Section 5, Township 43S, Range 25E
2380' FNL, 2230' FWL
San Juan County, Utah

SURFACE USE PLAN

1. EXISTING ROADS

Shown on the attached topographic map are the existing roads in the immediate area. Outlined is the route to be followed from Montezuma Creek. Existing roads will be maintained, as necessary, while operations are in progress.

2. PLANNED ACCESS ROAD

The access road will be as shown on the attached topographic map. The road will be flat bladed, constructed 14' in width and will be maintained as necessary to prevent excessive damage to the existing terrain. The road will be upgraded if commercial production is established. It is anticipated that less than 1,000' of new road will need to be constructed to the location pad.

3. LOCATION OF EXISTING WELLS & TANK BATTERIES

There are no other producing wells or facilities in the immediate area.

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

No production facilities are presently in place. Should the well prove to be productive, facilities (tank battery etc) will be sited on the drilling location pad.

5. LOCATION & TYPE OF WATER SUPPLY

Water will be acquired from the San Juan River or McElmo Creek and will be hauled using Chuska Energy Company water trucks, under State of Utah Division of Water Rights Permit Numbers 09-1724, (T64796) or 09-1723 (T64795).

6. SOURCE OF CONSTRUCTION MATERIALS

The need for additional construction materials is not anticipated. In the event that additional materials are required, they will be acquired either from private sources or with the approval of the Navajo Nation.

7. METHODS OF HANDLING WASTE MATERIAL

Trash will be contained on location in an enclosed bin. It will be hauled to an approved disposal site or burned on location if a burning permit is granted. The reserve pit will be lined, with an approved 7 mil liner, for containing drilling fluids. The pit will also be fenced. All drilling fluids, cuttings and chemical waste will be stored in the reserve pit. Liquid hydrocarbons will be stored in temporary storage tanks and hauled from location to approved sales facilities. The reserve pit will be emptied, back filled and restored to natural terrain status upon completion of drilling operations.

8. ANCILLARY FACILITIES

Chemical portable toilet facilities will be provided on location during drilling and completion operations. No camps or air strips are planned for this well.

9. WELL SITE LAYOUT

Attached is a surveyor's staking plat, cut and fill diagram and a schematic of the proposed rig layout.

10. PLANS FOR RESTORATION OF THE SURFACE

The location is laid out on a north east/south west trend and will require up to 25 of cut in the reserve pit (up to 7 of cut in the northern corner of the location pad) and up to 3' of fill elsewhere on the location pad. Top soil removed from the pad will be stored at the well site. A reserve pit will be built on terrain containing sparse native vegetation. After drilling operations are complete, drilling fluid in the reserve pit will be allowed to evaporate. All remaining fluid in the pit will be disposed of into an approved disposal site. The reserve pit will remain fenced during the evaporation and disposal process. The pit will then be covered and the topsoil will be returned to the disturbed area. The terrain will be returned as near to its original condition as possible. Following operations, rehabilitation seeding will be accordance with APD/BLM/BIA stipulations. There are residents in the immediate area of the site.

11. <u>OPERATORS REPRESENTATIVE</u>

CHUSKA ENERGY COMPANY
3315 BLOOMFIELD HIGHWAY
FARMINGTON, NEW MEXICO 87402
LARRY G. SESSIONS

12. CERTIFICATION

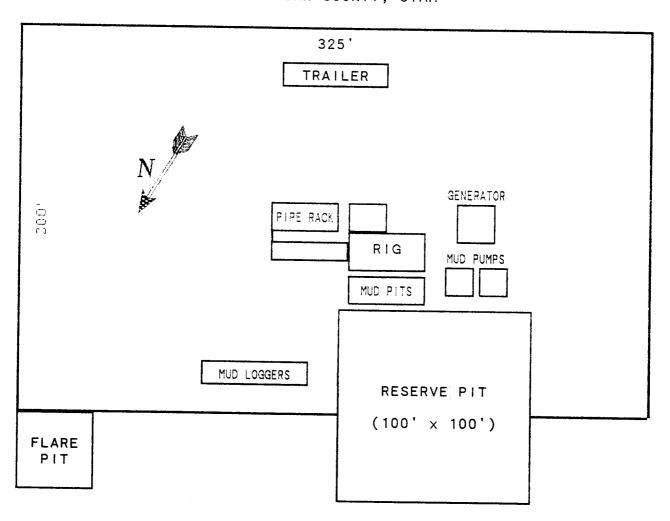
I hereby certify that either I, or persons under my direct supervision have inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct and that the work planned will be performed by Chuska Energy, or its sub-contractors, in conformity with the terms and conditions under which it is approved.

LARRY &. SESSIONS

Operations Manager

TAIPAN 5F-1

2380' FNL, 2230' FWL
SECTION 5, TOWNSHIP 43S, RANGE 25E
SAN JUAN COUNTY, UTAH

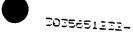


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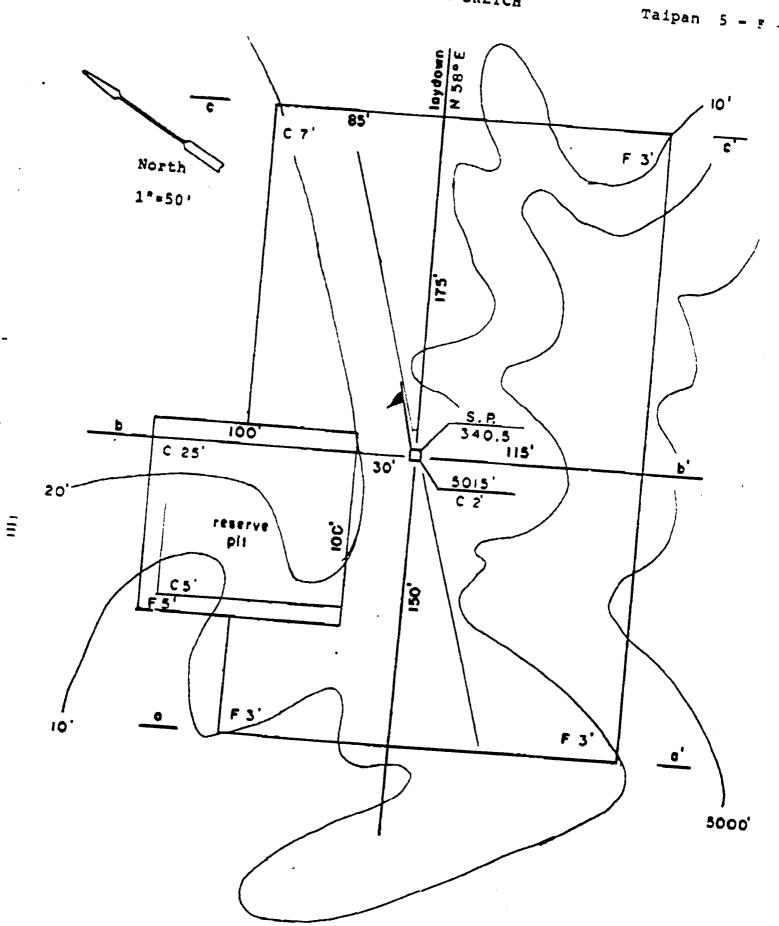
CHUSKA ENERGY COMPANY

ACREAGE POSITION UNDER THE 1987 OPERATING AGREEMENT

CHUSKA: T43S-R25E, SAN JUAN COUNTY, UTAH



PLANVIEW SKETCH



CROSS SECTION

Taipan 5 - P - 1

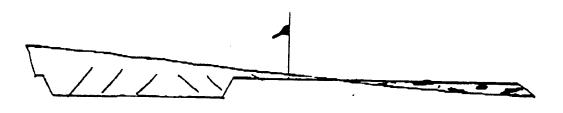
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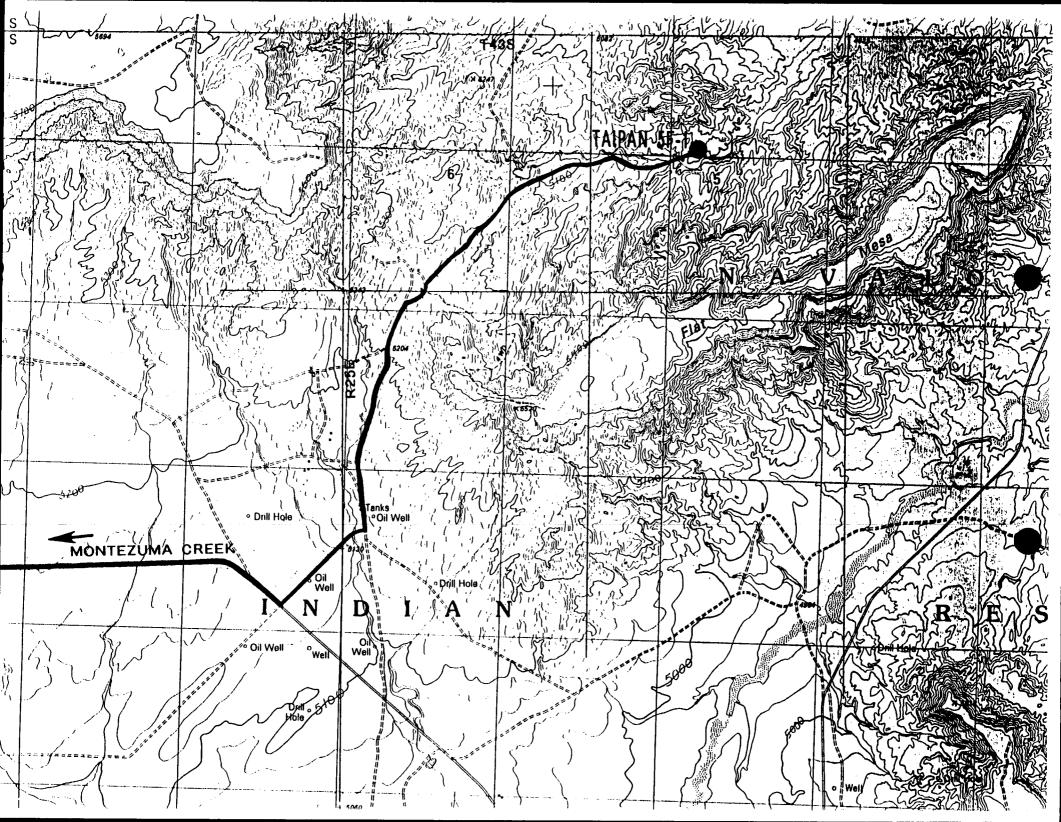


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OPERATOR Chuska Erway CO 19090 DATE 10	0-10-90
WELL NAME Laipan 5 + #1	
SEC SENW 5 T 435 R OSE COUNTY Jan	Tuan
43.037.31594 Undian (1) API NUMBER TYPE OF LEASE	
CHECK OFF:	
PLAT	NEAREST WELL
LEASE FIELD SLBM	POTASH OR OIL SHALE
PROCESSING COMMENTS: 10 other will in he 5 of above downstry	Range
Matu Pumit 09-1704 (TU4790) '09-1703	(TW1795)
Exception location	
APPROVAL LETTER:	
SPACING: R615-2-3 NA UNIT	R615-3-2
CAUSE NO. & DATE	R615-3-3
STIPULATIONS:	
CC: BIA	
	DENTIAL
, , , ,	PIRED
ON_X	- <u>7-49</u>



Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director
Division Director

December 13, 1990

Chuska Energy Company P. O. Box 780 Farmington, New Mexico 87499

Gentlemen:

Re: Taipan 5F #1 - SE NW Sec. 5, T. 43S, R. 25E - San Juan County, Utah 2380' FNL, 2230' FWL

Approval to drill the referenced well is hereby granted in accordance with Rule R6I5-3-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

- 1. Spudding notification within 24 hours after drilling operations commence.
- 2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
- 3. Submittal of the Report of Water Encountered During Drilling, Form 7.
- 4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (80l) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.
- 5. Compliance with the requirements of Rule R6I5-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2 Chuska Energy Company Taipan 5F #1 December 13, 1990

- 6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (80I) 538-6121.
- 7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31594.

Sincerely,

R. J. Firth

Associate Director, Oil & Gas

tas

Enclosures

cc: Bureau of Land Management
Bureau of Indian Affairs

J. L. Thompson

we14/1-20

WATER PERMIT OK

DIVISION OF OIL, GAS AND MINING

. API NO. 43-037-31594

SPUDDING INFORMATION

NAME OF COMPANY:	CHUSKA ENERGY CO	OMPANY .		
WELL NAME:	TAIPAN 5F-1			
SECTION SENW 5 TOWNSH	IP 435 P	ANGE 25E	COUNTY SAN JUAN	
DRILLING CONTRACTOR	AZTEC		•.	
RIG #	·	•	• 4	
SPUDDED: DATE <u>4-26-91</u>	<u> </u>			
TIME 6:00 a.	m.			
HOWROTARY	·			
DRILLING WILL COMMENCE_	·			
•			· .	
REPORTED BY ROBERT NEE	LEY			
TELEPHONE #	25	·		
	•			
		•		
DATE 4-25-91		SIGNED	TAS	

STATE OF	UTAH		
DIVISION	OF OIL,	GAS AND	MINING

OPERATOR Chuska Energy Company

OPERATOR ACCT. NO.

ENTITY ACTION FORM - FORM 6

ADDRESS 3315 Bloomfield Highway, Farmington, NM 87401

ACTION		NEW	API NUMBER	WELL NAME	WELL LOCATION			SPUD	EFFECTIVE		
CODE	ENTITY NO.	ENTITY NO.			QQ	SC	TP	RG	COUNTY	DATE	DATE
		110000			1	<u>-</u>	† 	 -		DAIL	DATE
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	COMMENTS:			Indian-Less. Pe	20052	Tons - F	Kah			17 20 01	
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ACTION CO	DES (See ins	tructions o	n back of form)						NA N		L.

A - Establish new entity for new well (single well only)
B - Add new well to existing entity (group or unit well)
C - Re-assign well from one existing entity to another existing entity
D - Re-assign well from one existing entity to a new entity
E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

MAY 0 2 1991

DIVISION OF OIL GAS & MINING Signature

Operations Engineer

Title

42991 Date

Phone No.

505-326-5525



29 April, 1991

State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Building, Suite 350 Salt Lake City, Utah 84180-1203

Ref:

Sundry Notice: Taipan 5F #1 Well Spud/Surface Casing

Gent lemen

Attached for your examination and approval are the original and two copies of the subject Sundry Notice.

Please advise if you require additional information concerning this submission.

Sincerely,

Larry G. Sessions
Operations Manager

LGS/cswh

File: C:\WP51\TAIPAN.5F\SPUDSUN.CVR

encl.

REGETYED NAY 0 2 1991

DIVISION OF OIL GAS & MINING

FORM 9			
. 🚧	ARTMEN F NATURAL RESO		6. Lease Designation and Serial Number NOG 8702-1116
DIV	ISION OF OIL, GAS AND I	MINING	7. Indian Allottee or Tribe Name
SUNDRY I	NOTICES AND REPORTS	ON WELLS	Navajo Tribal
	to drill new wells, deepen existing wells, or t		8. Unit or Communitization Agreement
<u>li</u>	ne APPLICATION FOR PERMIT—for much pro	posis.	
1. Type of Well Oil Hell Well Veil	Other (specify)		9. Well Name and Number Taipan 5F 1
Name of Operator Chuska Energy Compan	ny		10. API Well Number 43-037-31594
 Address of Operator 3315 Bloomfield High 	hway, Farmington, NM 87	4. Telephone Number 7401 505-326-5525	11. Field and Pool, or Wildcat Wildcat
5. Location of Well Footage : 2380' FNI	L, 2230' FWL	On walks	
QQ, Sec, T., R., M.: SE/4 NW/	4 S5 T43S R25E	County State	: UTAH
CHECK APPROPR	AND ROXESTON NOTEATE	NATURE OF NOTICE REPOR	II. OR OTHER DATA
NOTICE	OF INTENT in Suplicate)	SUBSEQU	ENT REPORT
☐ Abandonment	New Construction	1 I	ginal form Only)
Casing Repair	Pull or Alter Casing	☐ Abandonment ☐ Casing Repair	New Construction
☐ Change of Plans	Recompletion	Change of Plans	☐ Pull or Alter Casing
Conversion to Injection	☐ Shoot or Acidize	Conversion to Injection	Recompletion
☐ Fracture Treat	☐ Vent or Flare	Fracture Treat	☐ Vent or Flare ☐ Water Shut-Off
☐ Multiple Completion	☐ Water Shut-Off		
Other	The state of the s	▼ Other <u>Spud/Surface Cas</u>	ing
Approximate Date Work Will S	tart	Date of Work Completion 4	-26-91
		Report results of Multiple Completions	and Recomplations to different reservoi
		on WELL COMPLETION OR RECOM	
12 DECOMINE ADMINISTRATION		* Hust be accompanied by a cement v	erification report.
postions and massimed and true yout	ETED OPERATIONS (Clearly state all perti	nent details, and give pertinent dates. If well	is directionally drilled, give subsurface
controls and measured and a de vert	ical depths for all markers and zones pertine	ent to this work.)	
MIRU Aztec Ria :	222. Shudded 2020 bne	4-25-91 Deilled to For	F
8 5/8". 24 lb/ft	L. K-55. STC casing and	4-25-91. Drilled to 529	RU and ran 12 joint
cement with 2% C	aCl. and 1/4 lh/sk Call	l landed at 520'. Cement	ed with 375 sx Class 'G
slurry to pit. N	otification of enud to	of lake. Displaced with v	vater. Circulated 26 bb
91, by Robert Ne	ealy.	State of Utah (Tammy Sea	aring) at 0900 hrs, 4-25
,	rui ; •		

MAY 0 2 1991

DIVISION OF OIL GAS & MINING

14. I hereby certify	that the foregoing is true and cor	rect AV	, , ,					
Name & Signature	Christopher S.W. Hill	TRAN		Title	Operations Engineer	. Date	29 Apr	91
(AL.1 11 A.1.)						vauc		

(State Use Only)

ORAL APPROVAL TO PLUG AND ABANDON WELL

	. Laipan 5		5
ocation 1/	4 1/4, Sec	5 T. <u>HBS</u> R.2	3E County San
ease Type (Fede	ral, Tribal, State	or Private) <u>NOG</u>	8702-1116
as operator obta	ained proper Feder	al or Tribal app	roval? Ves.
'. D. <u>5967</u>	Open hol	e from <u>520/</u>	to <i>596</i>
Cole Size Car	sing Size Set	at TOC	Pull Casing
12/4	848 521	O Surpe	<u> </u>
778			
Formation	Top	<u>Base</u>	Shows?
lugging procedur		7.	
TD to 56:	36 195 shs (26 upper	Samay (50'abo
TD to 56: 4870 to 477	36 195 chs (l G useper G Hermo	Samay (50'abo
TD to 56: 4870 to 477 2997 to 289	36 195 As (1 0 60 sk (1 17 60 sk (1	lG yens G Dex	Samay (50'dbo
TD to 56: 4870 to 477 2997 to 289 1927 to 182	36 195 shs (1 0 60 sk (1 17 60 sk (1 27 60 sk (1	G G Cher	Samay (50'dbr Lay
TD to 56: 4870 to 477 2997 to 289 1927 to 182 1179 to 101	36 195 As (9 0 60 sk (19 17 60 sk (19 27 60 sk (19 9 60 sk (19	G Geral	Samay (50'dbo Lay Navago
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TD to 56: 4870 to 477 2997 to 289 1927 to 182 1179 to 101 570 to 47 501 sur	36 195 shs (100 shs (100 sh (1	26+2% 0, 02 16+2% 010lz	hay
TD to 56: 4870 to 477 2997 to 289 1927 to 182 1179 to 101 570 to 47 501 sur	36 195 shs (100 shs (100 sh (1	26+2% 0, 02 16+2% 010lz	hay



CHUSKA ENERGY COMPANY

3315 BLOOMFIELD HIGHWAY • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 326-5525

MAY 1 3 1991

9 May, 1991

DIVISION OF OIL GAS & MINING

State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Building, Suite 350 Salt Lake City, Utah 84180-1203

Ref:

<u>Sundry Notice: Taipan 5F 1 Well</u> <u>Subsequent Notice of Abandonment</u>

Gentlemen

Attached for your examination and approval are the original and two copies of the subject Sundry Notice.

Please advise if you require additional information concerning this submission.

Sincerely,

Larry G. Sessions Operations Manager

LGS/cswh

File: C:\WP51\TAIPAN.5F\2P&ASUN.CVR

encl.

D D

FORM 9 .	STE OF	- UTAH		
	DEPARTMENT OF NAT			6. Lease Designation and Serial Number
	DIVISION OF OIL,	GAS AND MININ	√ G	NOG 8702-1116 7. Indian Allottee or Tribe Name
	RY NOTICES AND			Navajo Tribal
DO NOT THE CURS LC. IN	ropossis to drill new wells, doopen : Line Application for Penn		r plugged and abandoned wells.	8. Unit or Communitization Agreement
1. Type of Well Oil Well	Gas Other (DENHAL	9. Well Name and Number Taipan 5F 1
Name of Operator Chuska Energy C	ompany			10. API Well Number 43-037-31594
3. Address of Operator 3315 Bloomfield	Highway, Farmingt	ton, NM 87401	4. Telephone Number 505-326-5525	11. Field and Pool, or Wildcat Wildcat
5. Location of Well : 2380	' FNL, 2230' FWL		Caumbu	. Son han
QQ, Sec, T., R., M.: SE/4	NW/4 S5 T43S R25	E	County State	: San Juan : UTAH
		ND CATE NATE	RE OF NO CONTRACTO	
	OTICE OF INTENT Submit in Deplicate)			JENT REPORT (Sint) form Only)
□ Abandonment	☐ New Constru	ction		New Construction
Casing Repair	Pull or Alt	· · · · · · · · · · · · · · · · · · ·		☐ Pull or Alter Casing
☐ Change of Plans☐ Conversion to Inj	Recompletio Rection Shoot or Ac			Recompletion
Fracture Treat	□ Vent or Fla		☐ Fracture Treat	☐ Vent or Flare ☐ Water Shut-Off
Multiple Completion	on 🔲 Water Shut-			
Other			ate of Work Completion5	-8-91
Approximate Date Work	Mill Start	·		
			WELL COMPLETION OR RECO	s and Recompletions to different reservoirs MPLETION AND LOG form.
		* N:	ust be accompanied by a cement	verification report.
13. DESCRIBE PROPOSED OR locations and measured and	COMPLETED OPERATIONS (Cle true vertical depths for all markers	arly state all pertinent det s and zones pertinent to th	tails, and give pertinent dates. If well his work.)	is directionally drilled, give subsurface
	labandoned as fol	lows:		
Plug From	To Sx		Covered	
1 5,967 2 4,870	5,636 195		t Creek, L Ismay, U	J Ismay
2 4,870 3 2,997	4,770 60 2,897 60	Hermo: de Cho		
4 1,927	1,827 60	Chinle		
5 1,179	1,079 60	Navaj	=	
W.O.C. and tagged	l plug at 1,149'.	Recemented w	ith 60 sx cement W	.O.C. and tagged plug at
1,039'. 6 560	460 55	C £		
7 50	460 55 0 25	Surta: Surfa:	ce casing shoe	
				ained 2% CaCl. All plugs
displaced with mu	d. Rig released 1	830 hrs, 5-8-9	91. Procedure withe	essed by Kevin Schneider,
BLM.				
		7 /		
14. I hereby certify that the fore	joing is true and correct	111	1-	
Name & Signature Christop	her S.W. Hill	W/	Title Operation	ns Engineer Date 9 May 91
(State Use Only)	•	PHEDBYTHE		MIP (PINISO)
	Æ.	UTAH DIVISIO		RIEGISINVI
		, GAS, AND M	MING	
	DATE:	5-11-9	/	MAY 1 3 1991
(8/90)		- Marine A		

DIVISION OF OIL GAS & MINING

(8/90)



CHUSKA ENERGY COMPANY

1775 SHERMAN STREET - SUITE 1800 • DENVER, COLORADO 80203 • PHONE: (303) 863-7021 FAX #: (303) 863-7210

May 17, 1991

Ms. Vicki Kearney
Utah Oil & Gas Commission
355 West North Temple
Three Triad Center
Suite 350
Salt Lake City, Utah
84180-1203

Dear Ms. Kearney:

Please keep all Chuska Energy Company data confidential until further notice.

Thanks,

Herbert P. Mosca

Chuska Staff Geologist

PECEIVEII
MAY 2 0 1991

DIVISION OF OIL GAS & MINING



CHUSKA ENERGY COMPANY

3315 BLOOMFIELD HIGHWAY • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 326-5525

22 May, 1991

State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Building, Suite 350 Salt Lake City, Utah 84180-1203

Ref:

Dry Hole Completion Report: Taipan 5F-1 Well

Gentlemen

Attached for your examination and approval is the original and two copies of the subject Dry Hole Completion Report.

Chuska requests that the information contained in this report be kept confidential.

Please advise if you require additional information concerning this submission.

Sincerely,

Larry G. Sessions
Operations Manager

CONFIDENTIAL

LGS/cswh

File: C:\WP51\TAIPAN.5F\CRCOVER

encl.

MAY 2 8 1991

DIVISION OF OIL GAS & MINING

•	DIVISION	S E OF	UTAH GAS AND	MINING				ATION AND SERIAL NO.
WELL (COMPLETION	OR RECOM	PIFTION	DEDADT	AND LOG		OG 8702 Indian, al	LLOTTEE OR TRIBE NAME
1a. TYPE OF WELL: b. TYPE OF COMPL	: GIL WELL LETION:	GAS FELL	DRY X	Other	AND LOG	F	avajo] It agreemen	
MEN X	NORK DEEP-	D SYCK	DIFE.	Other		8. FAI	RM OR LEASE	NAME
2. NAME OF OPERATOR							aipan 5	5F
3. ADDRESS OF OPERA	ergy Company					7. 86	LL NO.	
	nfield Highw					10. F	ELD AND PO	DOL, OR WILDCAT
4. LOCATION OF WELL At Surface	(Report location c	occo in test (late)	rdence with eny	State requirem	ents)	<u>W</u>	/ildcat	
	erval reported below	Same Same	" C(NF	IDE	VTI	55 143S	, H., OR BLOCK AND SURVEY
			14. API NO.		DATE ISSUED	12. 60		13. STATE
15. DATE SPUDDED	16. DATE T.D. REA	OUED 12 -11-	43-037	7-31594	12-13-90		an Jua	
4-25-91	5-6-91		COMPL. (Ready to or -91 (Flug &	• •1	E O15' O			19. ELEV. CASINGHEAD
20. TOTAL DEPTH, NO (5.967'(D)/5.96	\$ 21. PLUG	BACK T.D., HD & TY face		TIPLE COMPL.,	23. INTER	LED BY I	KB MRY TOOLS Stary	5,015' GR CABLE TOOLS
24. PRODUCING INTERV		LETION - TOP, BOTT	ON, MANE (ND AND	TYO)			ca y	25. WAS DIRECTIONAL SURVEY HADE
						·		No
26. TYPE ELECTRIC AND DLL/MSFL/G BHCS/GR/CA	R/CAL, LDT/	·			WAS WELL CORED Drill Stem test			
CASING SIZE	PEIGHT, LS./FT		ECORD (Report					
8 5/8"	24	DEPTH SET 520		12 1/4"	375 sx 'G' + 2	ENENTING RECORD	Ł	ANGUNT PULLED
						bbl siurry to	pit	
-				**				
29.		LINER RECORD			30.	TILD	ING RECOR	
SIZE	TOP (ND)	BOTTON (ND)	SACKS GENENT	SCREEN (NO			I NG <u>RECORI</u> I SET (HD)	PACKER SET (ND)
31. PERFORATION RECO	ON (Interval mize	rad aughan)			1015 01102			
THE PERSON NAME OF STREET	(ł.	ACID, SHOT, FR TERVAL (ND)	1		<u>TE, ETC.</u> IF MATERIAL USED
					-			THATERIAL VALUE

33.				DUCTION				
DATE FIRST PRODUCTION	PRODUCTI	ON NETHOD (Flowing	, gas lift, pump	oing - size and	f type of pump)		VELL ST	TATUS (Producing or in) PA'd
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	01L - 88L.	GAS - NCF	F. 9A	TER - BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	SASING PRESSURE	CALGULATED 24-HOUR RATE	01L - 88L.	EAS	- NGF.	WATER - BBL.		OIL GRAVITY-API (CORR.)
34. DISPOSITION OF &	AS (Sold, used for t	fuel, vented, etc.)			TE	ST VITNESSE	ED BY
35. LIST OF ATTACHNE	NTS	<i>r</i>					***************************************	
35. I hereby certify	that the for the ins	and attached, info	rmation is compl	ete and correc	t as determined	from all avails	ible record	18
SIGNED	MAC	11	TITLE _	Operations				22 MAY 91

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval. ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instructions for items 22 and 24 above).

Show all	drill-stem te	sts, including	y and contents thereof; cored depth interval tested, cushic pressures, and recoveries.	intervals; on used,		38.	RS		
Formation	Тор	Bottom	Description, c	contents, etc.	Name	Тор			
			1				Meas. Depth	True Vert. Dept	
Cone #1	5949	5967	Akah. Recovered 9'4" of 18' cut.			Hermosa Upper Ismay Hovenweep Shale Lower Ismay Gothic Shale Desert Creek Chimney Rock Shale Akah	4820 5686 5744 5756 5770 5803 5913 5924	4820 5686 5744 5756 5770 5803 5913 5924	
							MAY 2 DIVISIO OIL GAS &	8 1991 N OF	

FOUR CORNERS AREA U.S.A. WELL DATA CARD

WELL NAME: Taipan 5-F-1

DESCRIPTIVE LOCATION: Section 5, T43S, R25E

Operator: <u>Chuska Energy Company</u>

Well Category: Wildcat Field: Footings: 2380' FNL. 2230' FWL.

Footings: 2380' FNL, 2230' FWL

Seismic S.P./Line: St. 340.5 on Line 500-33S

Elevations: 5015' G.L. 5030' County: San Juan State: Utah

Rig: Aztec Well Service #222 Spud Date: 4/25/91
Release Date: 5/9/91 TD: 5966'

Well Status: Dry and Abandoned

Formation Tops:

		Dept			
Age	Group/Formation	Drilling (ft)	Subsea (ft)	Thickness (ft)	
Triassic	Navajo	932	+ 4098	786	
	Chinle	1718	+ 3312	1137	
Permian	DeChelly	2855	+ 2175	225	
	Organ Rock	3080	+ 1950	643	
	Cedar Mesa	3723	+ 1307	972	
Penn.	Hermosa	4695	+ 335	887	
	Upper Ismay	5582	- 552	80	
	Hovenweep Sh.	5662	- 632	22	
	Lower Ismay	5684	- 654	60	
	Gothic	5744	- 714	46	
	Desert Creek	5790	- 760	120	
	Chimney Rock Sh.	5910	- 880	14	
	Akah	5924	- 894		

EVALUATION:

CORES:

Formation Number Interval Cut Rec. Log Correlation

Akah/Paradox Salt #1 5949-5967' 181/9.31

WIRELINE LOGS:

						Εn															
	0												000							V	
						520															
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		MS																			
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WELL DATA CARD Page Two								
Well Name:	Taipan	5-F-1	_					
FORMATION TESTS:	Formation	Flow Time	S.I. Time	Bottom Gauge IP/FP	Fluid	Ck	Remarks	
1 сн								
2 сн								
3 сн								
4 сн								
ENGINEERING DATA	 <u>:</u>	~~~~~	~~~~	~~~~	~~~~	~~~~	~~~~~	
<u>Casing</u> <u>Size</u>	Shoe De	<u>Perfo</u> pth	ratio For	<u>ns</u> matic	on	<u>Inter</u>	<u>val</u>	SPF
8 5/8"	520 '							
Formation Treatm	ent:							
<u>Type</u>			<u>Volu</u> (ga]	ıme .)		Forma	<u>tion</u>	
SUMMARY:	~~~~	.~~~~	. ~ ~ ~ ~	~~~~	~~~~	~~~~	.~~~~~	

POST WELL AUDIT SUMMARY TAIPAN 5-F-1

The Taipan 5-F-1 well was drilled to test a Desert Creek seismic anomaly on the downthrown side of the Anido Creek fault in Program 5. The mound signature displays a doubleton character with dimming of the Desert Creek reflector and an overlying shale drape. The top of the Desert Creek was prognosed at -895 feet; however, it was noted that the margin of error could be substantial due to the lack of subsurface control in the area.

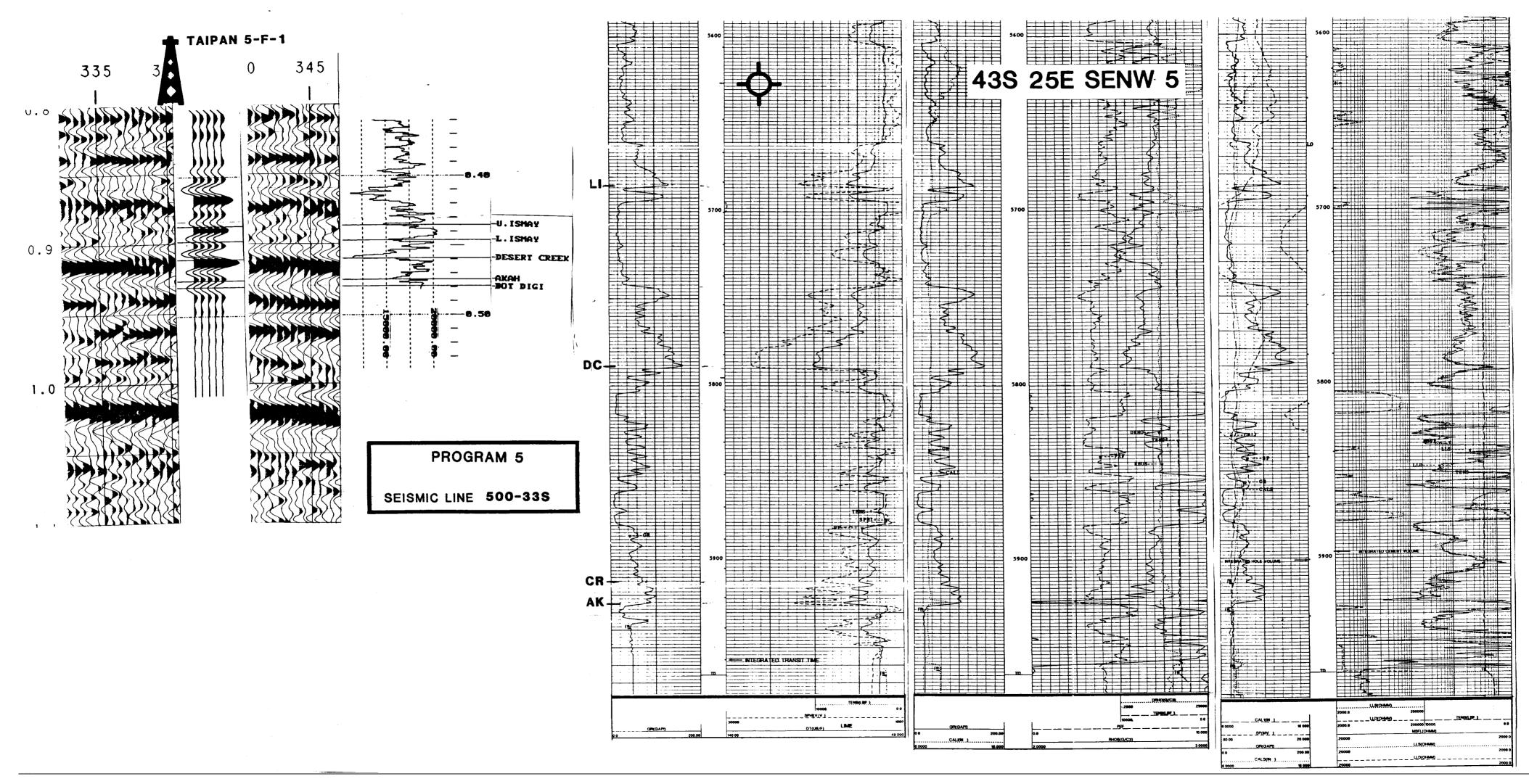
The well encountered the top of the Desert Creek at -760 feet, 135 feet high to prognosis. The well in SE NW Section 31, T42S, R25E (1.5 miles northwest of the Taipan location) was used for velocity control and time depth conversion. This well set in a similar topographic setting as the Taipan well; however, it was on the high side of the north-south fault which defines the east flank of the Defiance Uplift and Taipan is on the low block. This paleofeature must account for the rapid velocity change (150 feet/ms -- 2 way time) between the Section 31 well and Taipan. Whereas there is only 13 feet/ms change between Taipan and the Section 2 well three miles to the east and this well is located on a predominant (Yellow Rock Point) topographic feature.

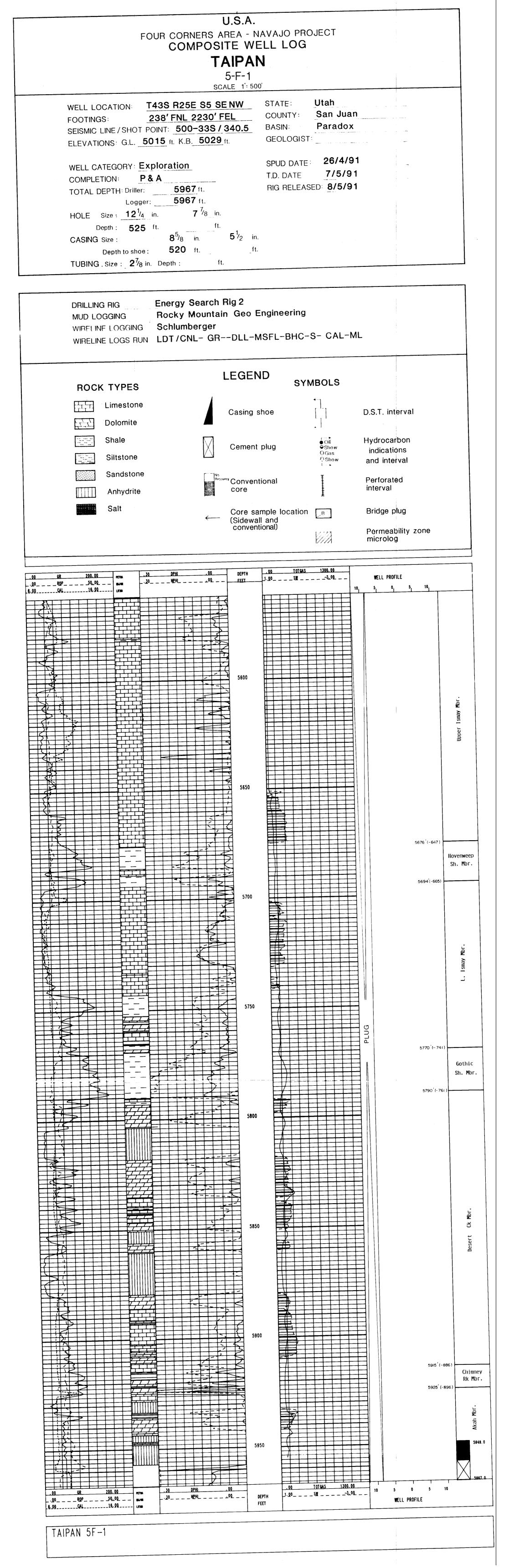
The Desert Creek Carbonate section is non-mound involved and is only 87 feet thick. The section contains a typical off-mound lithology containing a high silt content and being tight. The Lower Anhydrite section was in excess of 20 feet thick. There were no mound limestones in the Upper or Lower Desert Creek.

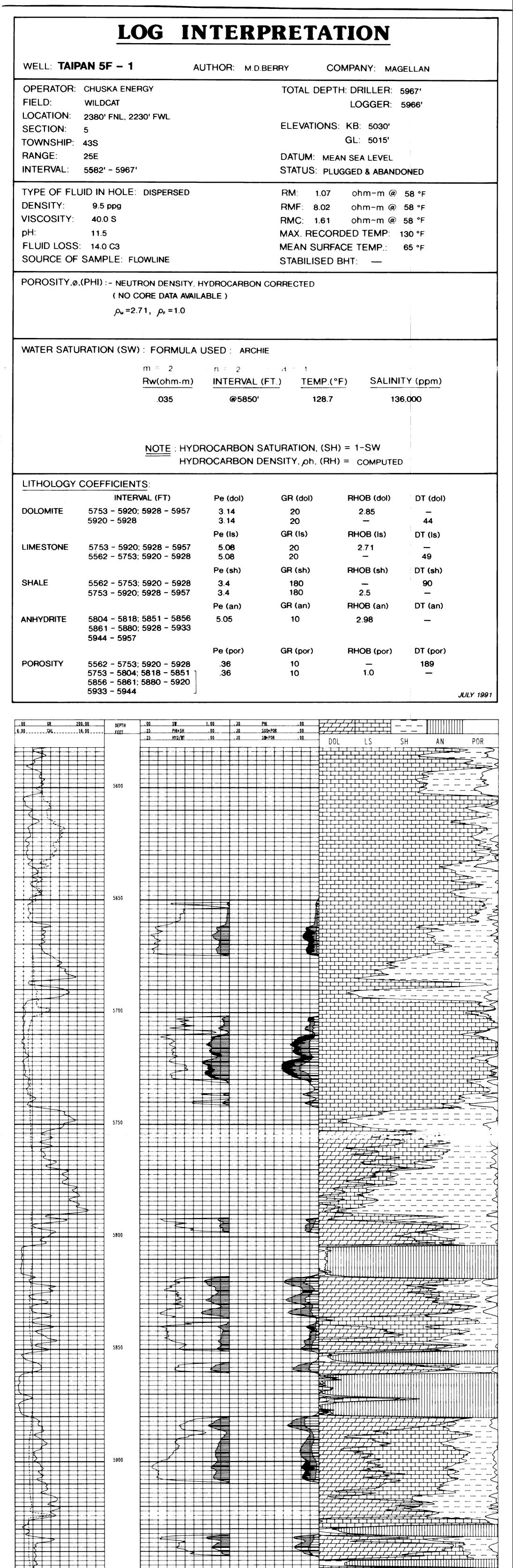
Taipan was mapped as a small, one line stratigraphic feature in which we were anticipating fracture enhancement related to the salt edge. The only near mound indicator, even though subtle, was the thicker than normal Lower Desert Creek Anhydrite.

The best explanation for the mismatch between the Taipan synthetic and seismic data is that the feature seen on the seismic data was focused from offline, potentially as much as 400 feet offline. Even if this is the case and since there was no fault enhancement from drape over the salt edge, any remaining reservoir potential would be too small to be economical.

c:\wp50\expl\taipan.pwa







5950

DEPTH

FEET

. 00

. 25

PHI+SH

HYD/MT

, 30

<u>. 30</u>

. 30

SXO. POR

SW- POR

. 00

.00

. 00

DOL

LS

SH

AN

POR

GR

200.00